JANARDHAN POOJARI); (a) to (c) Reserve Bank of India (RBI) has reported that it considers extending specific relaxations in credit facilities to industrial] commercial borrowers in areas which may ibe affected by particular problems such as natural calamities, political disturbances, etc RBI has also reported that conditions of sick units in West Bengal do not call for any such relaxation. The commerical banks consider sanction of working capital limits to various units depending upon merits of each case according to' guidelines issued by RBI from time to time.

Directive to Nationalised Banks in West Bengal in Respect of Sick Industries

786. SHRI NIRMAL CHATTERJEE: Will the Minister of FINANCE be pleased to state;

(a) whether in view of large numbe'r of sick and closed industries in the State rendering lakhs of people unemployed, Goverment propose to direct the nationalised banks operating in West Bengal to reduce the margin requirements to a maximum of 15 per cent in deserving cases for advancing against commodities not covered by selective credit controls in order to help the State to combat economic recovery;

(b) if so, by when such a direction is likely to be issued; and

(c) if not, what are the reasons for the same?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI); (a) to (c) Reserve Bank of India considers granting specific relaxations in credit facilities, in areas affected by particular problems like natural calamities, political disturbances, etc. The position of sick units in West Bengal does not necessitate a specific relaxation as regards deduction in margin for extending financial assistance to sick units.

Monitoring of the working of nationalised Banks by States

787. SHRI NIRMAL CHATTERJEE: Will the Minister of FINANCE be pleased to state.

(a) whether in order to extend the socio-economic benefits to all people in the country the Union Government propose to empower State Governments to monitor the working tf nationalised banks;

(b) if so, by what time a decision in this 'regard is likely to be taken; and

(c) if not, what are the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI); (a) to (c) The Public Sector Banks account for over 90 per cent of the total banking business in the country. The banking sector, besides Central Government. is also monitored by Reserve Bank of India as a central banking authority in terms of the powers vested under Banking Regulation Act, 1949 and Reserve Bank of India Act, 1934. The functioning of banks cuts across the State boundaries and the entire banking policy is oriented towards reducing of regional imbalances both in terms of branch net work as also dispensation of credit which would require centralised directions. In the circumstances it may not be possible to subject the banks to State control. Nevertheless States also play a role in the functioning of the banks through a number of committees formed at tb" State level such as State level Co-ordination|Consultative Committee, State Level Bankers' Committee. State Ievel Inter Institutional Committee and District Consultative Committee. These committees which include representatives from respective States are involved in the drawing up of the District Credit Plans and Annual Action Plans and their implementation is monitored by them at periodical intervals. In regard to